JATA News Release
Japan Association of Travel Agents
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Survey of Travel Market Trends - December 2012, 3rd quarter

Overseas DI declined after displaying a continuous strong trend, and expected to recover slowly.
Domestic DI maintained the previous outlook level.

Overseas: Consecutive growth over the past five quarters stopped.
Domestic: Demand shifted from overseas travel, and domestic DI maintained the previous outlook level in spite of a downward trend in group tours.

■About the Survey of Travel Market Trends

The Japan Association of Travel Agents (JATA) asks all email member companies to register as survey monitors. JATA conducts the quarterly Survey of Travel Market Trends involving 602 registered companies and publishes the results.

The Survey of Travel Market Trends is designed to grasp trends in the travel market based on responses to questions on current conditions and those anticipated over the next three months.
The survey asks participating companies to rate their sales results for each destination and customer segment by choosing from three categories: "good," "average," and "poor." Respondents indicate "do not handle" for items outside their business scope. Each share of "good," "average," and "poor" is then divided respectively by the denominator, which is equal to the total number of responses minus the "do not handle" (including "no reply") responses. Finally, each share is processed into the Diffusion Index (DI) by subtracting the percentage of "poor" from the percentage of "good."
The highest possible index figure is +100, and the lowest is -100.

◆Survey Overview

Survey area: Japan nationwide
Survey target: JATA member company management
Survey method: Internet survey
Survey period: November 2 (Friday), 2012 to November 20 (Tuesday), 2012
Registered companies: 602
Responding companies: 313
Response rate: 52.0%

◆Business Classification

The Survey of Travel Market Trends analyzes business conditions based on business content.
A definition of each business classification and the number of survey respondents are shown below.

Business Classification

Designation	Definition	Respondents
Full-service travel agency	A large-scale travel agency with a national network that provides a full range of travel products	39
Overseas travel wholesaler	A dedicated overseas travel wholesaler	23
Overseas travel specialist agency	A travel agency with a business volume of more than 5 billion yen, 80% of which is related to overseas travel	16
Domestic travel wholesaler	A dedicated domestic travel wholesaler	10
First-tier retail agency	Other than the above, a travel agency with a business volume of 3 billion yen or higher	29
Second-tier retail agency	Other than the above, a travel agency with a business volume of less than 3 billion yen	143
In-house travel agency	A travel agency which mainly handles travel arrangements for its parent company	53

For more information about this survey, contact public relations of JATA.
These data are available at http://www.jata-net.or.jp
TEL: (03) 3592-1244

■Business Activity in the Overseas Travel Market Overall

Overseas DI decreased due to a decline for China and South Korea.
The outlook over the next three months is unclear but is expected to recover slowly.

Current situation (October-Decemb

Only Hawaii scored a positive DI figure. Oceania continued to recover slowly.

・Growth for South Korea and China is slowing. Currently, long-haul destinations including Hawaii and Europe are selling well, but there is uncertainty about the future. (Full-service travel agency)

・The New Year holidays from the end of this year to the beginning of the next year fall on good days of the week, making the holiday season longer. (Overseas travel wholesaler)

・A year and a half has passed since the Great East Japan Earthquake. Company trips and overseas business trips have begun to return to the pre-earthquake level. However, sales for China and South Korea are bleak. (Second-tier retail agency)

・Overseas overall is -30, down by 37 points from the last three-month period (July-September).

Outlook for the next three months (January-March)

Hawaii will remain positive, and overseas overall is expected to recover slowly.

・Currently, China and South Korea are affecting DI, but travel to South Korea is recovering.
The graduation trip season is approaching, and so the market is expected to be re-energized. (Full-service travel agency)

・Last-minute bookings are dominant, so the outlook is not yet clear. (Overseas travel wholesaler)

・Domestic and foreign economic trends are unclear, and so we cannot anticipate their impact on the travel industry. (First-tier reta

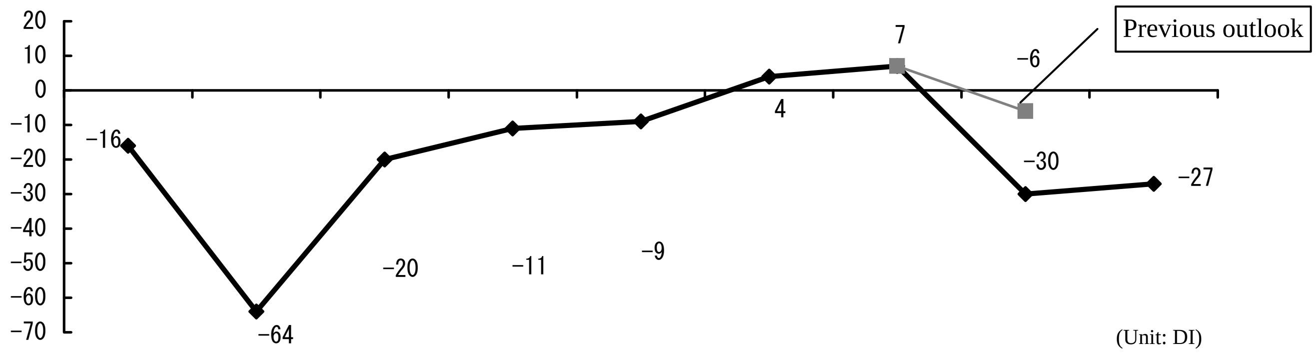
・The outlook for the next three months (January-March) is -27, up by 3 points.

Summary

A decline was anticipated in general. In fact, DI decreased to -30, falling short of the previous outlook by 24 points, as a result of a significant decline for China and South Korea. The current situation generally showed a downward trend. Only Micronesia and Oceania rose.
DI is expected to recover slowly after bottoming out in the next three months.

N: valid response
(N=289)

(Unit: DI)



(Unit: DI)

	2 years ago Oct.-Dec.	1 1/2 years ago Apr.-Jun.	1 year and 3 months ago Jul.-Sep.	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Overseas overall	-16	-64	-20	-11	-9	4	7	**-30** **※-6**	-27

* Outlook as of September 2012

	1 1/2 years ago Apr.-Jun.	1 year and 3 months ago Jul.-Sep.	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Full-service travel agency	−72	10	16	11	10	25	**−43**	-19
Overseas travel wholesaler	−78	−41	−8	0	−12	−6	**−44**	-40
Overseas travel specialist agency	−45	7	−23	−34	11	5	**−20**	-7
First-tier retail agency	−81	8	11	0	47	13	**−26**	-23
Second-tier retail agency	−65	−33	−25	−13	−7	0	**−29**	-27
In-house travel agency	−43	−19	−6	−10	16	19	**−23**	-31

◆Trends in Overseas Travel Demand (by destination segment)

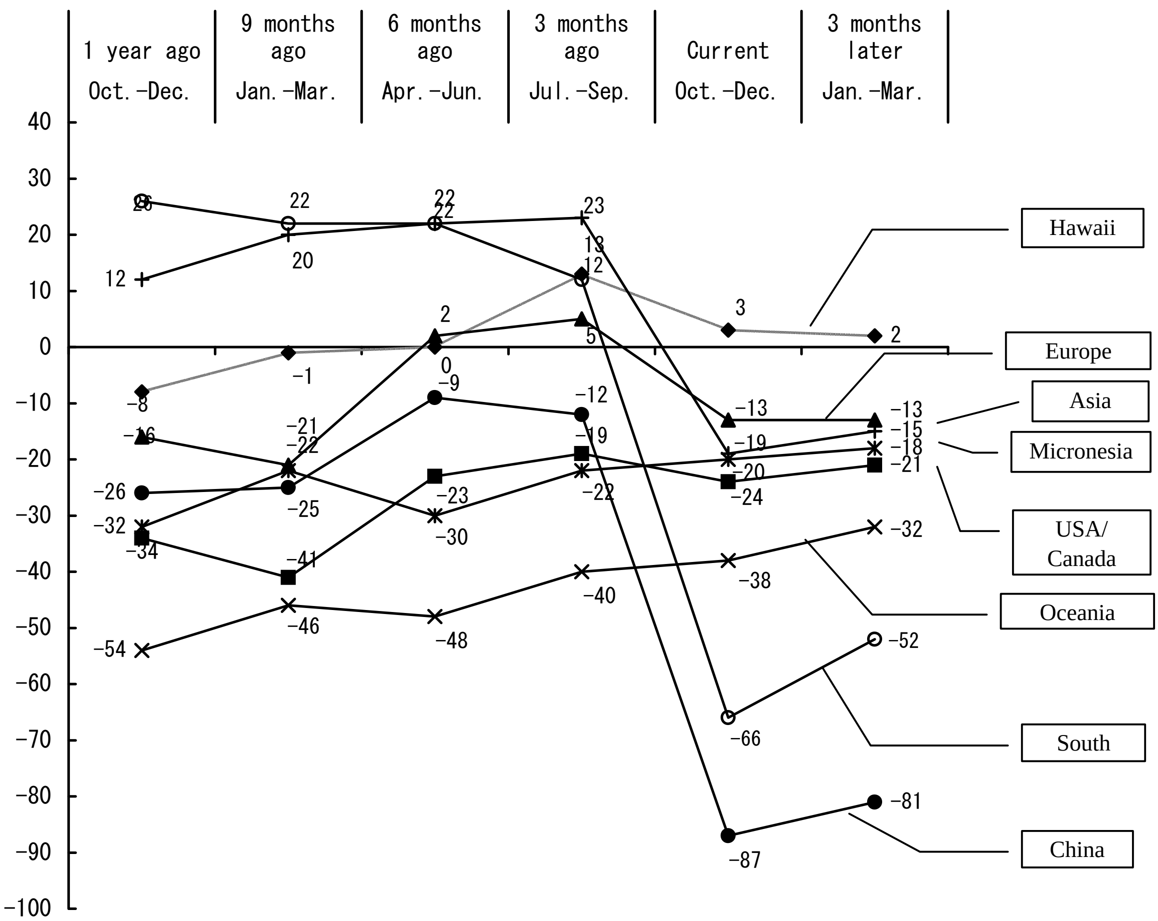
South Korea and China declined by 78 and 75 points, respectively, hitting a bottom.
Oceania (-38) and Micronesia (-18) improved by 2 points, respectively.
In the next three months, all destinations will improve moderately.

- DI decreased in six destinations compared to the previous three months (Jul.-Sep.), with the largest decrease of 78 points for South Korea, followed by China (-75 points), Asia (-42 points), Europe (-18 points), Hawaii (-10 points), and USA/Canada (-5 points). Only Hawaii maintained a positive figure. On the other hand, only 2 destinations, Oceania and Micronesia, showed a 2-point increase, respectively.

- In the next three months (Jan.-Mar.), Hawaii which is the only destination showing a positive figure will decrease by 1 point. Europe will maintain its current level, but the other six destinations will show an increase, with South Korea up by 14 points, Oceania and China by 6 points, Asia by 4 points, USA/Canada by 3 points, and Micronesia by 2 points. Hawaii will maintain a positive figure.

N: valid response
(N=289)

(Unit: DI)



(Unit: DI)

	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Hawaii	−8	−1	0	13	**3**	2
USA/Canada	−34	−41	−23	−19	**−24**	−21
Europe	−16	−21	2	5	**−13**	−13
Oceania	−54	−46	−48	−40	**−38**	−32
Micronesia	−32	−22	−30	−22	**−20**	−18
China	−26	−25	−9	−12	**−87**	−81
Asia	12	20	22	23	**−19**	−15
(of which, South Korea	26	22	22	12	**−66**	−52

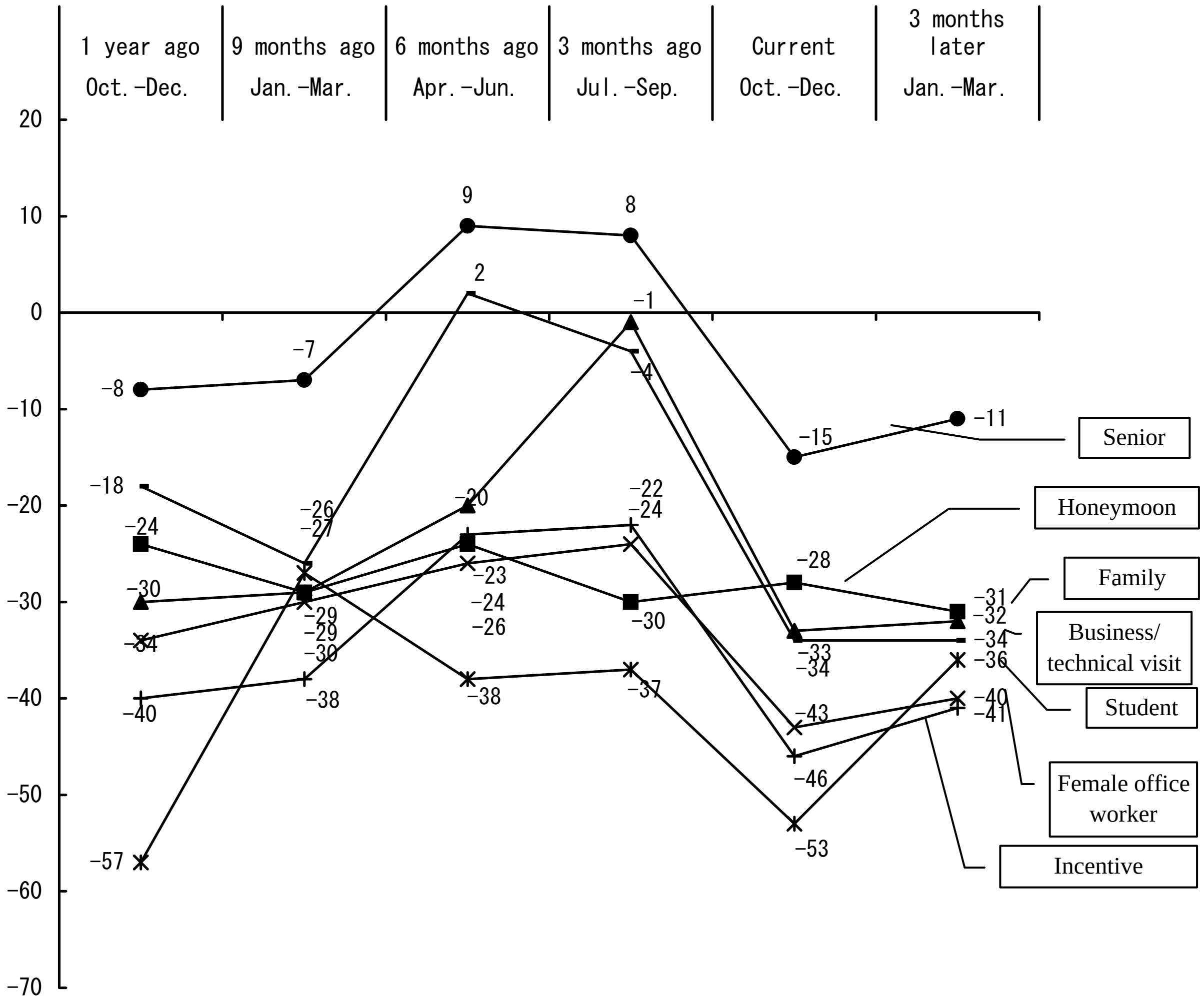
◆Trends in Overseas Travel Demand (by customer segment)

The family segment, which was the leading segment in summer, decreased by 32 points. Other segments also showed a two-digit decrease. Only the honeymoon segment showed a stable result, with an increase of 2 points.
In the next three months, the student segment is expected to increase by 17 points.

- Except for the honeymoon segment which increased by 2 points, each DI decreased by two digits from the previous three months (Jul.-Sep.), with family down by 32 points, business/technical visit by 30 points, incentive by 24 points, senior by 23 points, female office worker by 19 points, and student by 16 points.
- In the next three months (Jan.-Mar.), honeymoon will decrease by 3 points and business/technical visit will stay at the current level. Other segments are expected to increase, with family up by 1 point, female office worker by 3 points, senior by 4 points, and incentive by 5 points. The student segment is expected to increase significantly

N: valid response
(N=289)

(Unit: DI)



(Unit: DI)

	1 year ago Oct.-Dec.	9 months ago Jan.-Mar.	6 months ago Apr.-Jun.	3 months ago Jul.-Sep.	**Current Oct.-Dec.**	3 months later Jan.-Mar.
Honeymoon	−24	−29	−24	−30	**−28**	−31
Family	−30	−29	−20	−1	**−33**	−32
Female office worker	−34	−30	−26	−24	**−43**	−40
Student	−57	−27	−38	−37	**−53**	−36
Senior (*)	−8	−7	9	8	**−15**	−11
Incentive (**)	−40	−38	−23	−22	**−46**	−41
Business/technical visit	−18	−26	2	−4	**−34**	−34

* Senior: Customers aged 60 or older.
** Incentive: Travel offered as an incentive to business and organization employees.